

Testimony presented verbally in Tribeca, November 30, 2011
My detailed written comments will be submitted by mail prior to January 11, 2012.

My name is Jannette Barth. I am a Ph.D. economist and I have been conducting economic analyses and developing economic models for over 35 years.

The Economic Assessment conducted for the revised draft SGEIS is inadequate and unacceptable. Economic benefits are exaggerated and economic costs are ignored.

There is extensive independent and academic literature that concludes that areas with extractive industries are economically worse off in the long run.

Existing industries that are vital to the region, such as agriculture, organic farming, tourism, hunting, fishing, wine making, and river and lake recreation (to name a few) may be severely and negatively impacted. Such losses were not taken into account.

Major food coops have stated that they will not buy produce from areas that have hydraulic fracturing; and there will be a high cost if our agricultural lands and nearby water become contaminated with toxic or radioactive substances.

Costs associated with the increased demand for community social services, police and fire departments, first responders, local hospitals, etc. must be estimated.

A leaked New York State Department of Transportation Memorandum provided estimates of truck traffic and costs, but even these costs were ignored.

There was no attempt to measure public health costs. Research shows negative health impacts associated with shale gas drilling, and the public has repeatedly voiced such concerns.

It is well known that extractive industries create a boom and bust cycle for communities. Why are the costs of a long-term bust not estimated in this assessment?

Why was there no mention of the fact that banks may not issue mortgages on properties with or near a gas well, thereby negatively impacting property values and property tax revenue?

Also ignored is the loss of future economic development potential after a spider web of pipelines is built, preventing future building.

It is clear that E&E focused only on benefits, and the estimated benefits are exaggerated. Employment, income, population and tax revenue projections are

dependent on natural gas reserves and production assumptions. E&E has used highly exaggerated reserves, production and average well life assumptions.

Input Output analysis, with RIMS II multipliers, was used by E&E, and for reasons I have explained in various reports, this technique is inappropriate in this case.

Based on research and experience elsewhere, it is likely that the long term net economic benefit to New York State will be minimal and possibly even negative. The only winners are likely to be the gas industry and a few lucky landowners. The gas industry is lying to us in order to reap profits at the public's expense. Our own DEC should be working to seek the truth, not simply working to support the gas industry.

A proper economic assessment would be an expensive research endeavor and it would require a team of qualified experts, each with specific expertise. The people of New York State and future generations deserve an unbiased and comprehensive assessment of what shale gas extraction might mean for our health, our environment, our quality of life and our economy. If our political leaders do not insist on this, then they have failed all of us.